



COLORADO DEPARTMENT OF REVENUE
2017-18 SMART Government Act Hearing
Joint Finance Committee

December 22, 2017



COLORADO
Department of Revenue

colorado.gov/revenue

Executive Director

Michael S. Hartman

Background:

- More than 18 years of professional experience in the banking, private equity, real estate and not-for-profit industries, with a heavy emphasis in financial analysis and organization management.
- Bachelor of Science degree in Business Administration (Accounting) from the University of Colorado at Boulder's Leeds School of Business.
- Master of Business Administration, with emphasis in finance and economics, from the University of Chicago's Booth School of Business.

Leadership Philosophy:

- Delegation
- Empowerment
- Encouragement
- Accountability

Operating Philosophy Expectations:

- Integrity is imperative to everything we do;
- Everything we do is done with our customers' and employees' best interest at the center of the decision making process;
- Bad news must travel fast;
- Treat each other with trust and respect; and
- Try to find a way to "yes".

Our MISSION

Our mission is to provide quality service to our customers in fulfillment of our fiduciary and statutory responsibilities while instilling public confidence through professional and responsive employees.

Our VISION

To become the premier Department of Revenue known for its outstanding customer service, innovation, and dedicated employees.

Our **VALUES**

Communication

Encourage an inclusive environment that fosters ongoing creative exchange of information and ideas between employees, management, and the public.

Dedication

Demonstrate a strong support for the mission of the organization and service to the people of Colorado.

Ownership

Promote active and constructive participation in the organization. Take pride in the organization and what you do. Create a sense of community.

Responsible Government

Guarantee responsiveness, accountability, and pursue policies and ideas that are prudent and consistent.

Teamwork

Work collaboratively to achieve a common goal.

Respect

Value customers' and employees' opinions and thoughts and treat them with dignity.

Unity

Foster a unified Department of Revenue.

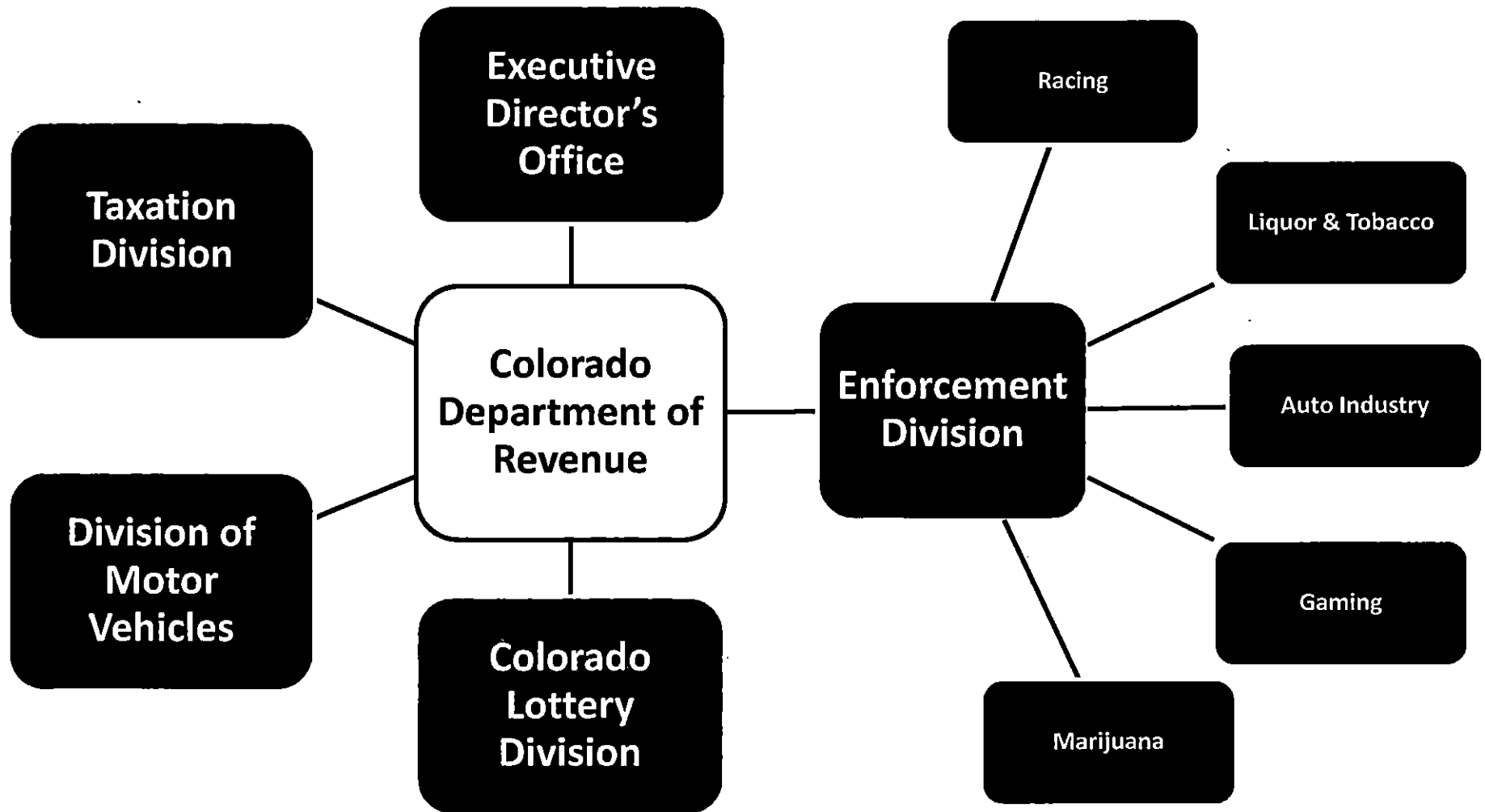
Stewardship

Ensure careful and responsible collection and distribution of the public's money and information.

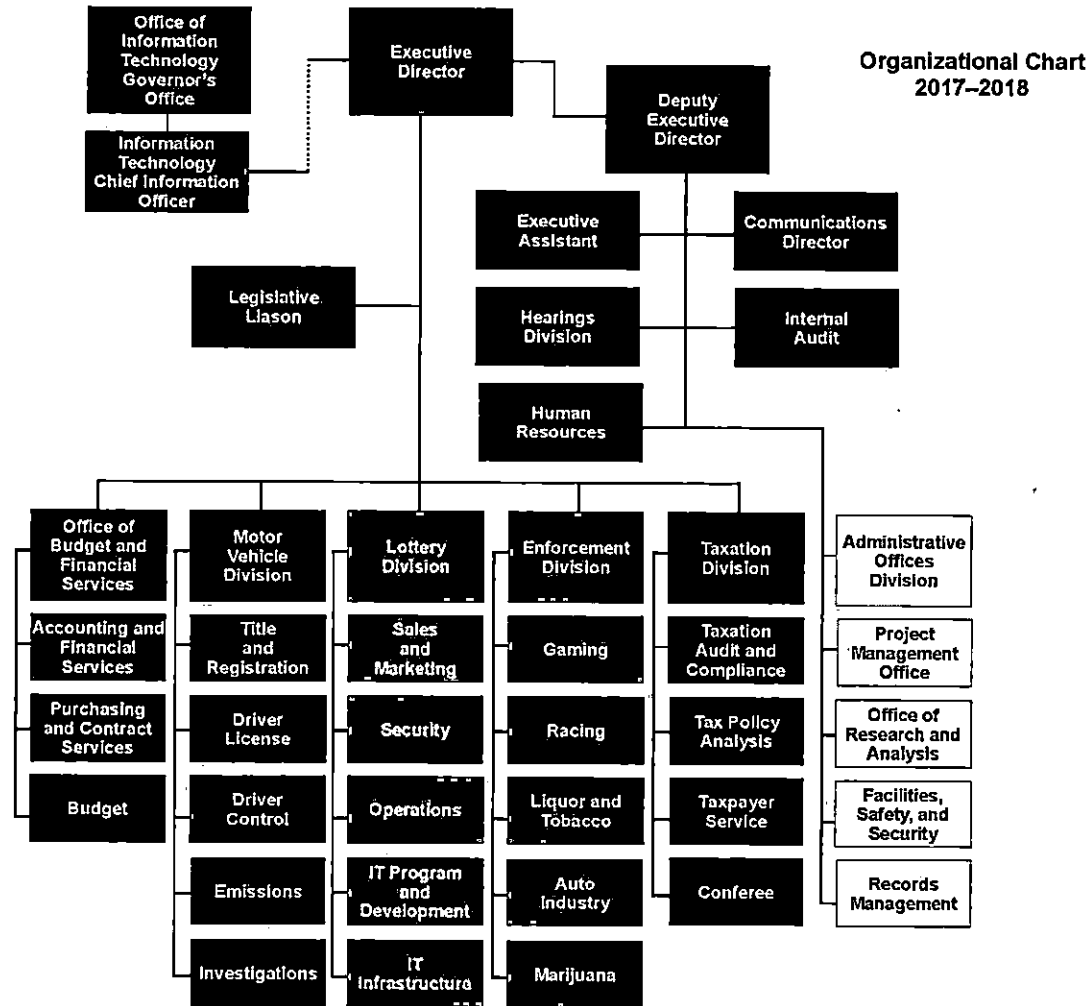
Transparency

Utilize processes, procedures, and forms that are understandable and easy to use.

Business Units Overview

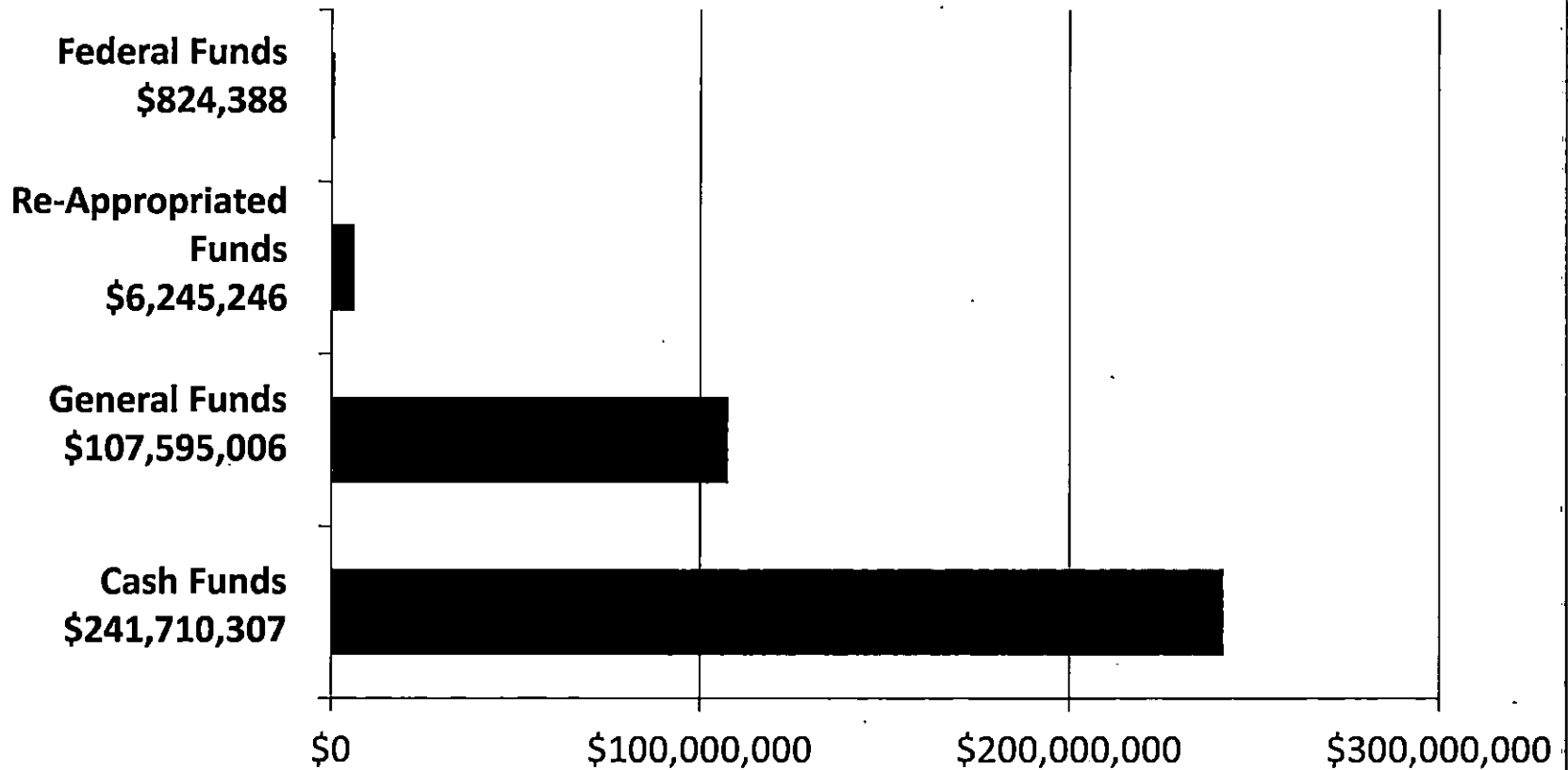


Organizational Chart

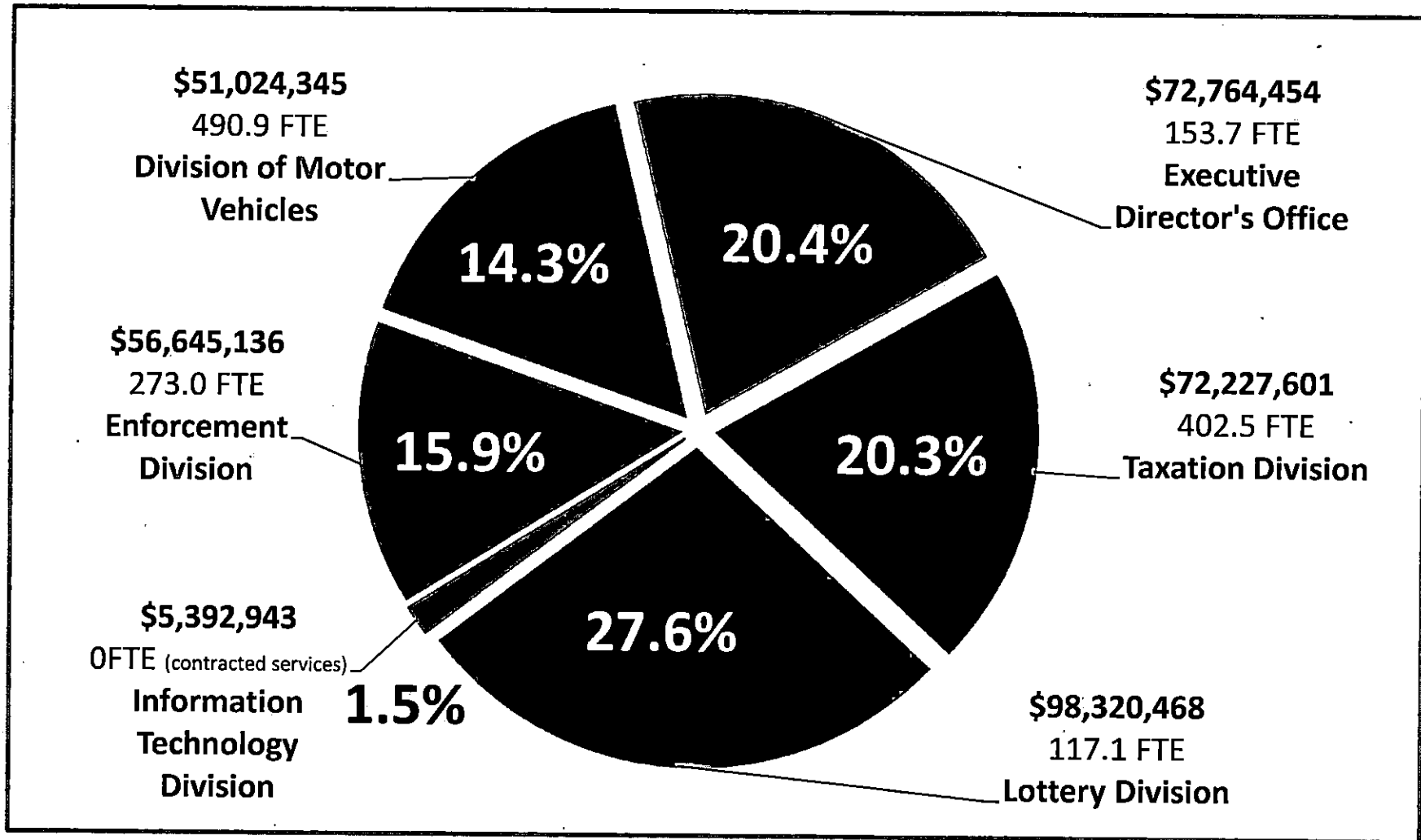


FY2017-18 Appropriation

Total Funds: \$356,374,947
1,437.2 FTE



FY2017-18 Budget by Division



Performance Management Plan 2017-2018

- The Colorado Department of Revenue's (CDOR) five business units impact almost every Colorado citizen in some way. Because of that, CDOR is focused on providing **outstanding customer service** and guidance to assist the citizens in complying with the State's laws, rules, and regulations.
- The *2017-2018 Performance Management Plan (Plan)* is a living document that CDOR uses to set objectives to be achieved and measure progress throughout the year. The Plan outlines, by strategic policy initiative, the performance measures that CDOR will employ to achieve these objectives.

The Plan can be found on the CDOR website: <https://www.colorado.gov/pacific/revenue/statutorily-required-reports>.

Strategic Policy Initiatives

Customer Service

- Be respectful to our customers by providing processes that are clear, simple, timely, and convenient.

Fiduciary Responsibility

- Provide responsible financial, resource, and project management that builds a sustainable foundation utilizing a high standard of care.

Statutory Responsibility

- Promote fairness and consistency in the application of the law.

Public Confidence

- Maximize public trust through responsible stewardship and transparent processes.

Employees

- Recruit, develop, retain, and value a high-quality, diverse workforce in an environment that promotes collaboration, professional development, and employee innovation.

INITIATIVE: Customer Service

Be respectful to our customers by providing processes that are clear, simple, timely, and convenient.

CDOR maintains a sense of responsibility that customers are to be treated with respect and courtesy.

- The CDOR customer base is mainly outwardly focused; customers are statutorily required to do business with CDOR, i.e. paying taxes or getting a license.
- In doing so, CDOR staff strives to resolve matters at first contact, reduce the time it takes to obtain the services needed, provide education to the public to assist them in having a successful outcome and to offer a variety of options for citizens to use to transact business.
- CDOR is leveraging technology and making as many services available online as possible.
- In Fiscal Year 2016-17, CDOR's Citizen Advocate responded to 9,190 citizen concerns.

INITIATIVE: Customer Service

Kudos from Customers

Kudos From Customers

Can't believe I'm saying this, but I just had a really easy experience at the Colorado DMV (Golden Driver License Office). Went in to renew my license and was out in less than 30 minutes. Staff smiled too!

— Nancy L.

Kudos From Customers

Thank you very much to Joni (Fox) for taking the time to listen to my technical question regarding registering vehicles that the military owns and allows local law enforcement agencies to use. Joni researched my issue with her supervisor and came back to me with multiple suggestions. It was a pleasure to work with someone knowledgeable, professional, courteous, and helpful. Thank you, Joni!

— Alice H.

Kudos From Customers

*Hi,
I just completed working with a person named Brian (LoCascio) in the Wage Withholding area. Honestly, I had completely screwed up the filing of my wage withholding for the past six months. Brian was great! He spent the time needed to help me clean up my errors. Basically, he cleaned up my mess and explained what I had done wrong and how to avoid the same mistakes in the future. He was great to work with. Thank you.*

— Ron A.

Kudos From Customers

Mundi was a delight to work with today in the Craig (Driver License) Office. She obviously enjoys her job! It was so nice to have a good experience. She should be commended.

— Anonymous

Kudos From Customers

Eighty-six year old Stevia W. contacted the Citizens' Advocate stating "I no longer drive and sold my car. My license is expiring. Do I need another license as ID even though I will never drive again?" She was given the instructions to exchange her license for an ID online at no charge. Her response was "Thank you so much...this was easy!"

INITIATIVE: Customer Service

Division of Motor Vehicles (DMV)



COLORADO
Department of Revenue
Division of Motor Vehicles

CUSTOMER SERVICE PERFORMANCE METRICS

DL ONLINE RENEWALS



FY17: 200,027 FY16: 181,587
FY15: 128,119 FY14: 134,524
FY13: 170,978

Reached 1 million online renewals on Oct. 26



54.1%

Percentage of customers called to the counter within 15 minutes in FY 16.

Goal was 50%

73%

Percentage of customers called to the counter within 15 minutes in FY 17.

Goal was 65%

94.5%

Percentage of customers with appointments who are called to the counter within 15 minutes

1 minute, 22 seconds

Amount of time by which the Driver Control Call Center out performed the 10 minute wait time goal. Only 0.13% of calls were blocked.



INITIATIVE: Customer Service

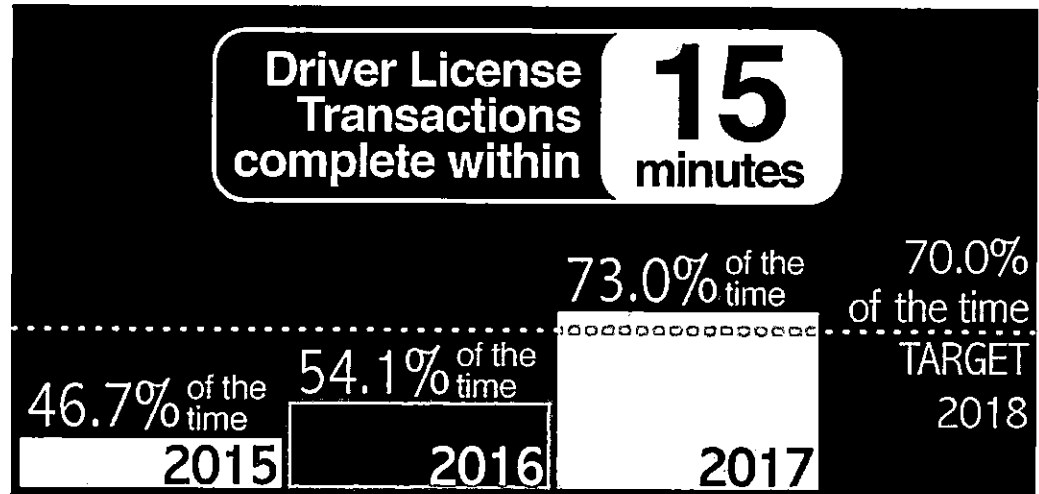
Highlight: DMV Customer Service in Driver License Offices

Initiative: Reduce wait times for Driver License customers to an average of 15 minutes a certain percentage of the time.

Outcome for Walk-Ins: Outperformed FY17 goal by 8.00%.

Outcome for Pre-Scheduled Appointments: Outperformed FY17 goal by 4.50%.

Seen Within 15 minutes	FY17 Goal	FY17 Actual
Walk-In's	65.00%	73.00%
Pre-Scheduled	90.00%	94.50%



INITIATIVE: Customer Service

Highlight: DMV Driver Control Call Center

Initiative: The Driver Control Call Center will have an average call wait time of 10 minutes on an annual basis decreasing in FY19.

Outcome: Outperformed FY17 goal by 1 minute, 22 seconds.

FY17 Goal	FY17 Actual
0:10:00	0:08:38

Kudos From Customers
I was amazed at the courtesy, persistence, and patience of Ann Brannan (DMV Call Center) when I called with a problem I had renewing my license online. She went above and beyond her duty to help me and I really appreciated her customer service!

— Mary Sue

Initiative: The Driver Control Call Center will block less calls and decrease annually.

Outcome: Outperformed FY17 goal by 3.37%.

FY17 Goal	FY17 Actual
4.50%	1.13%

Fiscal Year 2017

**Driver
Control
Call
Center
Wait
Time**

0:08:38

1.13% Call Block Rate

INITIATIVE: Customer Service

Highlight: Driver License Online Renewal and Payment

Kudos From Customers

What a GREAT online driver license renewal site. The format was simple and easy to follow (especially those of us who aren't especially tech savvy). Everything worked smoothly. Whoever programmed this online renewal system/process should get a raise! If that's possible, at least they get my sincere appreciation for a job well done!

- Mary G.

Initiative: Increase the number of driver license renewals processed online by 5% over the previous year objective on an annual basis.

Outcome: Outperformed FY17 goal by 6.00%.

FY17 Goal	FY17 Actual
195,998	207,801



Online Driver License Renewals

37% increase between 2015 and 2016

GOAL:

5%
over previous year

10%
by 2018

1.8 million
minutes saved
with online renewals

INITIATIVE: Customer Service

Other DMV Highlights

11
NEW

online services

18 total online
services

CDRIVES

✓ Rollout 1 completed
02/21/17

INITIATIVE: Customer Service

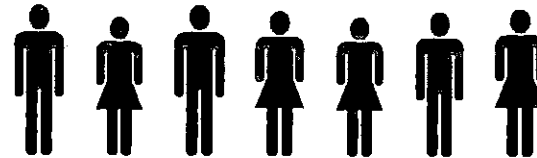
Division of Taxation

8,581,530

visitors to
Colorado.gov/Tax

walk-in customers to
five regional service centers

49,893



HELPING OTHERS

\$1,612,435,969

Collected on behalf of
special districts and
local governments



\$6,034,957

Property Tax/Rent/Heat
Rebates issued to elderly,
disabled and
low-income residents

INITIATIVE: Customer Service

Highlight: Tax Call Center

Initiative: The Tax Call Center will reduce the average time spent waiting in the queue.

Outcome: Outperformed FY17 goal by 13 seconds.

FY17 Goal	FY17 Actual
0:09:20	0:09:07

Kudos From Customers

This morning my wife called your Department concerning our tax return. She spoke with Millie [Duran] in your Department who provided us with excellent customer service! We are very impressed with the level of service and expertise Millie provided. She was thorough and detailed in her assistance and quickly resolved our issue!

You should be pleased to have a top performer like Millie on staff!

— Charles

Initiative: The Tax Call Center will block less than 23% and decrease annually beginning in FY19.

Outcome: Underperformed FY17 goal by 1.35%.

FY17 Goal	FY17 Actual
23.00%	24.35%

250,653



phone calls answered
by Tax Hotline

INITIATIVE: Customer Service

Highlight: Electronic Filing of Income and Sales Tax Returns

e-Filed Returns

83%
individual
income
tax



82%
sales
tax

Help to:

- avoid math errors
- increase efficiency
- enhance security
- reduce paper

Initiative: Increase percentage of e-filed individual income & sales tax.

Income Tax Outcome: Outperformed FY17 goal by 0.20%.

Sales Tax Outcome: Outperformed FY17 goal by 5.00%.

E-File	FY17 Goal	FY17 Actual
Individual Income Tax	84.50%	84.70%
Sales Tax	77.00%	82.00%

INITIATIVE: Customer Service

Other Tax Highlights

Kudos From Customers

I am writing to express my appreciation for one of your employees. Pam (Burgess) at the DOR office in Ft. Collins has been a pleasure to work with. As a payroll provider we help small business meet their tax obligations. It is very nice to be able to work with a professional like Pam.

— With Regards, Zane

The Taxation Division promotes voluntary compliance with all Colorado state tax laws through information, education, assistance, and customer service.

The Taxation Division works tirelessly to guard confidential taxpayer information by reviewing all income tax refunds, ensuring taxpayer refunds are not diverted to identify thieves and protecting State revenue.

Net collections to fund state priorities

INCOME
TAXES

\$7.32
billion

59.9%
of CDOR Collections

Sales &
Use Taxes

\$2.98
billion

24.4%
of CDOR Collections

INITIATIVE: Customer Service

Other Customer Service Improvements

1. Titles and Registration Call Center will Answer 100% of calls within an average of 1 minute, 30 seconds:

- Outcome: Met FY17 goal.

*This objective is consistently met and will no longer be tracked.

2. Maintain completion rate of 95% of final agency actions (defined as approvals or notices of denial) for renewal liquor business licenses within 60 days.

- Outcome: Underperformed FY17 goal by 0.40%.

3. Increase final agency actions (defined as approvals or notices of denial) for new liquor business licenses within 90 days.

- Outcome: Outperformed FY17 goal by 16.00%.

4. Auto Industry Complaint to Conclude Initial Investigations of Complaints within 180 Days

- Outcome: Outperformed goal by 8.43%.

5. Increase International Registration Plan (IRP) Electronic Registration

- Outcome: Underperformed FY17 goal by 0.82%.

FY17 Goal	FY17 Actual
100%	100%

FY17 Goal	FY17 Actual
95.00%	94.60%

FY17 Goal	FY17 Actual
75.00%	91.00%

FY17 Goal	FY17 Actual
84.00%	92.43%

FY17 Goal	FY17 Actual
30.00%	29.18%

For more information on these Customer Service initiatives can be found in the 2017-2018 CDOR Performance Management Plan, found on the CDOR website: <https://www.colorado.gov/pacific/revenue/statutorily-required-reports>.

INITIATIVE: Customer Service

Other Customer Service Improvements

NEW Initiative: Customer Feedback

- By the end of FY18, establish a baseline for customer feedback scores, increase responses by 10%, and develop a closed loop feedback system for in-office services in the DMV in order to move from a level 2 to a level 3 on the Customer Feedback Maturity Index.
- By the end of FY18, establish a baseline for customer feedback scores, increase responses by 10%, and develop a closed loop feedback system for the Taxation Division in order to move from a level 2 to a level 3 on the Customer Feedback Maturity Index.

For more information on these Customer Service initiatives can be found in the *2017-2018 CDOR Performance Management Plan*, found on the CDOR website: <https://www.colorado.gov/pacific/revenue/statutorily-required-reports>.

Governor's Dashboard

The Governor's dashboard provides a summary of how the State is doing across our five priorities that fulfill the vision of a truly Healthy Colorado across our people, our economy, our communities and our environment. At a glance you can view the status of each measure based on its indicator icon. Visit the Dashboard at <https://www.colorado.gov/governor/dashboard>.

CDOR reports on two specific goals outlined in the Governor's Dashboard as follows:

Legend



On Track.
On track to meet 2018 goal.



Work in Progress
Some improvement but not enough to be on track. Also includes new metrics under development, or data not yet available.



Needs Improvement
Needs improvement to meet 2018 goal.

Goal: Improve the DMV customer experience

- DMV office wait times for appointments
- Online driver's license renewals

Goal: Cut the burden of government regulations

- Early stakeholder engagement on rules
- Compliance burden reduced

Governor's Dashboard

On Track to Meet 2018 Goal



QUALITY GOVERNMENT SERVICES *Providing efficient, effective and elegant government services*

Goal: Improve the DMV customer experience

- Establish a baseline for the total customer experience time by end of CY 2017.
- By June 30, 2018, Driver License customer transactions will be seen within 15 minutes 70% of the time in Wait Less equipped Driver License offices
- Driver's License customers with appointments will be called to the counter within 15 minutes of their scheduled appointment time 92% of the time in Wait Less equipped Driver License offices
- Increase the number of Driver's License and Identification Card renewals on-line by 5% over the previous year

Status	Outcome Measure	Outcome Baseline (June 2015)	Actual (June 2016)	Actual (June 2017)	Outcome Target	Target date
⏸	Total customer experience time	TBD- December 2017	N/A	N/A	TBD- January 2018	2018
⏸	DMV office wait times for walk-ins	46.70%	54.1%	73%	70%	2018
⏸	DMV office wait times for appointments	87%	90.9%	94.5%	92%	2018
⏸	Online driver's license renewals	135,451	186,655	207,801	218,191	2018

Source: DMV



Governor's Dashboard

On Track to Meet 2018 Goal



ECONOMIC & INFRASTRUCTURE DEVELOPMENT *Make Colorado the best place to start and grow a business*

Goal: Cut the burden of government regulations

- All 12 Departments with rulemaking authority certify annually that stakeholders have been engaged early for every rule promulgated (before the proposed draft stage)
- All 14 Departments with rules or requirements that impact businesses 'Cut the Burden' for businesses to comply each year, as measured by time saved or costs avoided

Status	Outcome Measure	Outcome Baseline (June 2015)	Actual (June 2016)	Actual (2017)	Outcome Target	Target Date
➤	Early stakeholder engagement on rules	0 of 12	12 of 12	12 of 12	100% (12)	2016
➤	Compliance burden reduced	0 of 14	N/A	14 of 14	100% (14)	2016

Source: Source: DORA, Governor's Office, Office of State Planning and Budgeting. Note: some Departments Cut the Burden for more than one program

*November 2017 restatement



INITIATIVE: Fiduciary Responsibility

Provide responsible financial, resource, and project management that builds a sustainable foundation utilizing a high standard of care.

- CDOR collects nearly \$14 billion dollars per year on behalf of the citizens of Colorado.
- It is CDOR's responsibility to ensure that those funds are collected and distributed in a fair and consistent manner as well as in accordance with the law.
- Additionally, it is CDOR's responsibility to provide the best services possible for the citizens of Colorado in accordance with state fiscal rules and within its appropriation.

INITIATIVE: Fiduciary Responsibility

Project Management (1 of 2)

In the 2017 Regular Session, a total of 16 bills were passed requiring implementation activities related to technology.

Initiative: CDOR will complete 100% of its projects related to legislation implementation within the required implementation date.

Outcome: Met the FY17 goal.

**This objective is consistently being met and will no longer be tracked following FY2016-17.*


FY17 Goal	FY17 Actual
100%	100%

The
Project Management
Office
*in conjunction
with*
The Office of
Information Technology
completed
17
projects during FY16-17.

INITIATIVE: Fiduciary Responsibility

Project Management (2 of 2)

In 2017, the Project Management Office (PMO) initiated a new **Google Dashboard** to support all the projects from all divisions as well as support the OIT team with their enterprise projects.



COLORADO
Department of Revenue

Search this site

PMO HOME PROJECT INITIATION **DOR PROJECT DASHBOARD** LESSONS LEARNED PMO DOCUMENTS

DOR Project Dashboard

The projects on this list are projects that are being managed by a DOR PMO project manager and/or have a direct impact on DOR resources. This is a high level dashboard to show you at a glance some basic information about each project. Click on the links provided for more information (e.g. PIF, project site, LOE, etc) to learn more about a project.

Project Number (Link to PIF)	Project Name (Link to project site)	Brief Description	Status	Comments / Updates	Funding Source	DOR Planned Budget / Act	BU	BU Sponsor Name	DU PM Lead	IT PM Other
Actively Managed (Facilities)										
20150713A	Northglenn DLO	Office is currently 3,480 sq. ft. Looking to expand to ~7,000 sq. ft.	Red	12/13/17 - Landlord believes we will be able to get a true Grass Lease.	Combo / TIA	\$138,987	DMV	Brent Spahn	John Watkins	Cindy I
20150713A	Aurora DLO	Renew lease and upgrade facility	Green	Plans have been submitted for permits. Could have permits by 12/15/17, beginning of January at the latest. Construction to begin January 2018	Combo / TIA	\$98,956	DMV	Brent Spahn	John Watkins	Cindy I
20150713A	Colorado Springs RSC	Expand current facility by ~3,600 sq. ft.	Green	12/13/17 - Architect is modifying the new space due to fire occupancy requirements. DOR will reduce the size of the waiting room by about 12sqft to lower the occupancy rating and avoid additional fire modification costs.	Combo / TIA	\$271,800	DMV	Brent Spahn	John Watkins	Cindy I
20150713A	Glenwood Springs DLO	The office currently occupies 1,300 sq. ft. Looking to expand into ~2,100 sq. ft.	Green	12/13/17 - DLO has approved the new layout submitted by the landlord	Combo / TIA	\$62,800	DMV	Brent Spahn	John Watkins	Cindy I
20150713A	Ft Morgan DLO	Ft Morgan DLO is currently located in a temporary building. Looking to find a permanent location.	Green	12/13/17 - Update from landlord stated final estimates to be submitted to DOR by 12/15/17.	Combo / TIA	\$18,645	DMV	Brent Spahn	John Watkins	Cindy I
20130425A	Driver Control Remodel Project - Phase 2-4	Phase 2 - 4 of the space remodel at Driver Control Call center at Pierce. 111 new cubicles and major reconfiguration of the space	Green	Final punch list established, additional change orders circulating. Offices occupied.	DMV budget & EDO contribution	\$477,000	DMV	Ted Trujillo	Heidi McKenna	Cindy I
Actively Managed (Lottery)										
20170905C	Lottery Back Office System	This project centers on movement of Lottery's Legacy Back Office System (CLASS) to IGT's hosted system so that IGT supports both Jackpot and	Green	PACS currently has the request for information document that will be sent to the major Lottery Vendors for the outsourcing of the Lottery Backoffice. The request for	CO Lottery		LOT	Jane Biglin	Gloria Reiter	N/A

INITIATIVE: Fiduciary Responsibility

Highlight: CDOR Cash Handling

Kudos From Customers

It is with great gratitude that I write this message. My father was a lottery winner, and recently passed away. Tina (Faye) was very professional and courteous. I'm beyond impressed by the exemplary and stellar performance of Ms. Faye. Her expertise and knowledge is unparalleled. Ms. Faye invested her time into ensuring the funds were distributed properly. She thoroughly answered all of my questions. I did not expect this type of personalized service. Her assistance made a very hard transitional time much easier. Such persons are assets to your company. I hope Ms. Faye receives the recognition she undeniably deserves.

— Jahla H.

Initiative: Deposit funds within 24 hours of being received 95% of the time on an annual basis.

Outcome: Outperformed FY17 goal by 2.00%.

**This objective is consistently being met and will no longer be tracked following FY17.*

FY17 Goal	FY17 Actual
95.00%	97.00%

INITIATIVE: Fiduciary Responsibility

Colorado Lottery Division

\$64.5
million

Proceeds dollars
paid to

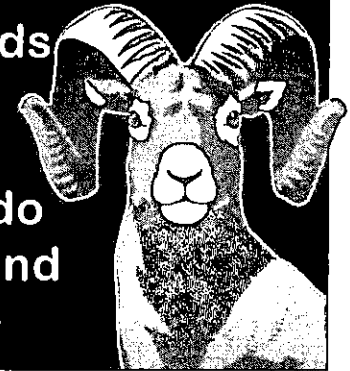


Total number of
dollars in millions
distributed to all
Lottery proceeds
beneficiaries

\$133.4

\$13.3 million

Proceeds
dollars
paid to
Colorado
Parks and
Wildlife



\$53.4
million

Proceeds dollars paid to
Conservation Trust Fund
(CTF)



\$2.3 million

Proceeds dollars paid to
Building Excellent Schools Today
Program (BEST)



INITIATIVE: Fiduciary Responsibility

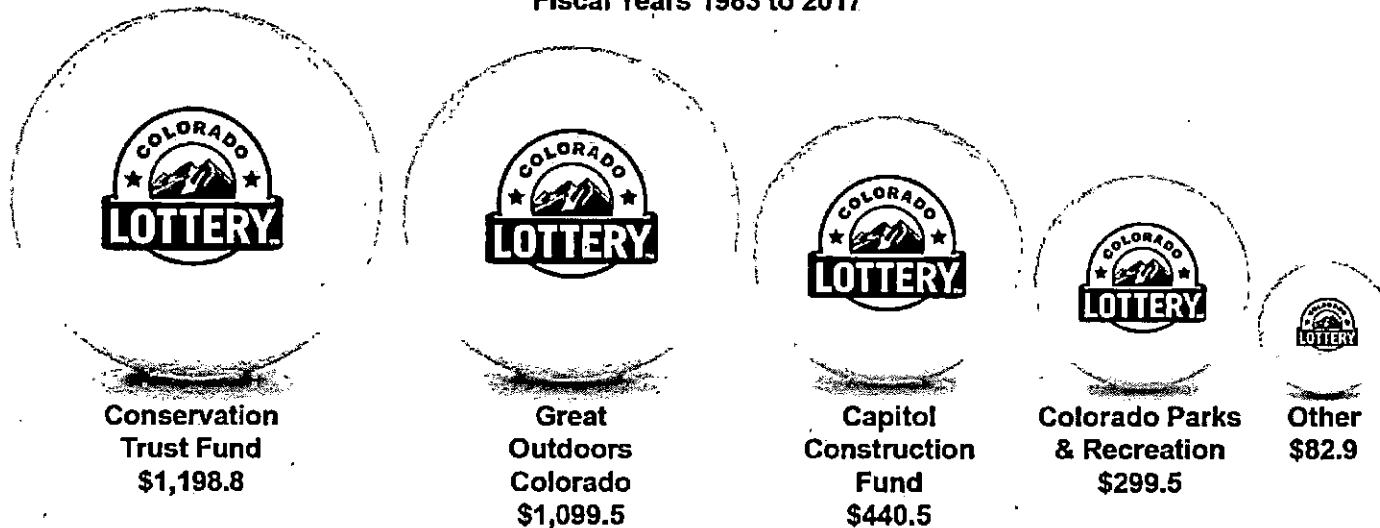
Highlight: Lottery Sales and Profits

Initiative: Grow Colorado Lottery sales and profits to maximize proceeds for beneficiaries that are receiving distributions at percentages as defined in CRS 33-60-104.

Outcome: Outperformed FY17 goal by 1.50%.

FY17 Goal	FY17 Actual
22.20%	23.70%

Aggregate Lottery Fund Distribution
(issued in thousands)
Fiscal Years 1983 to 2017



INITIATIVE: Fiduciary Responsibility

Other Lottery Highlights

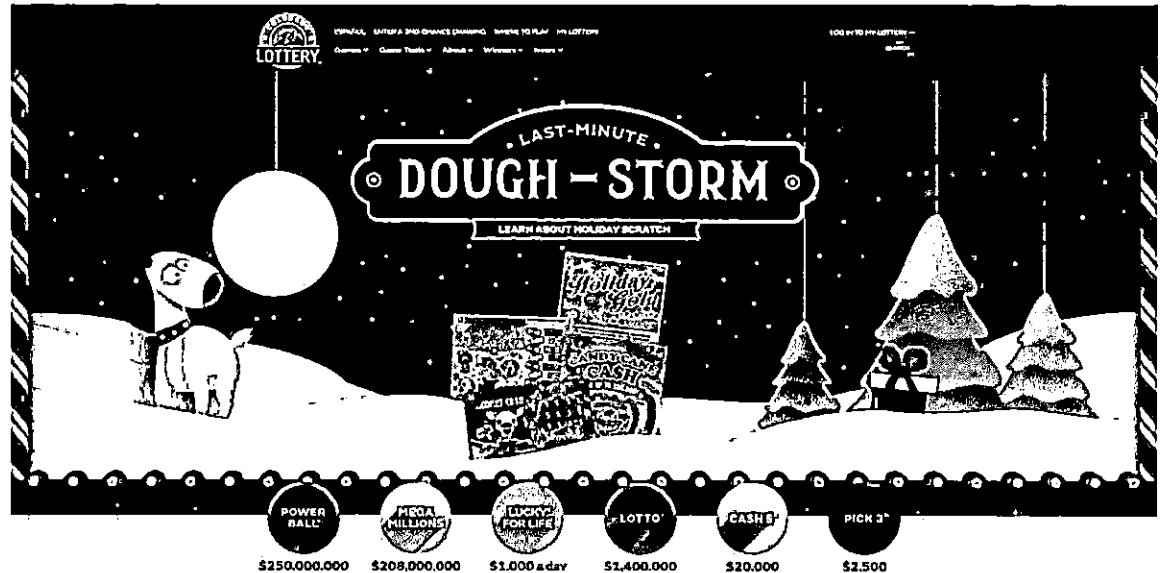
The Colorado Lottery creates and sells lottery games of chance that are held to the highest standards of integrity, efficiency, and entertainment, in order to maximize proceeds for the people of Colorado.

The Colorado Lottery began in 1983 with just a single scratch games. Today there are a variety of scratch and jackpot games.

Since its inception, the Lottery has contributed more than \$3 billion to its constitutional and statutory beneficiaries.

For more information please visit: <https://www.coloradolottery.com/en/>

Find a retailer near you today: <https://www.coloradolottery.com/en/retailers/>



INITIATIVE: Statutory Responsibility

Promote fairness and consistency in the application of the law.

- As with all other state services, CDOR is governed by the statutes of the State of Colorado. Many times, those statutes are subject to interpretation by CDOR staff but as an administrative function of the Executive Branch, CDOR reflects the legislative intent as closely as possible in CDOR interpretations.
- The management staff of CDOR works hard to provide opportunities for stakeholders and the public to provide input as rules and regulations are being drafted to further define the statute.
- It is a priority of CDOR that all current rules and regulations are reviewed on a regular basis to ensure that the existing rule is relevant, necessary, easy to understand and can be easily implemented.

INITIATIVE: Statutory Responsibility

CDOR Rulemaking Principles

Defensible: Rules grounded in statute.

Operable: Consistent with business practices and least restrictive while still protecting the public.

Transparent: Clearly articulate expectations.

Systematic: Leverage technology and apply consistently.

INITIATIVE: Statutory Responsibility

2017 Regulatory Agenda Report & 2018 Regulatory Agenda

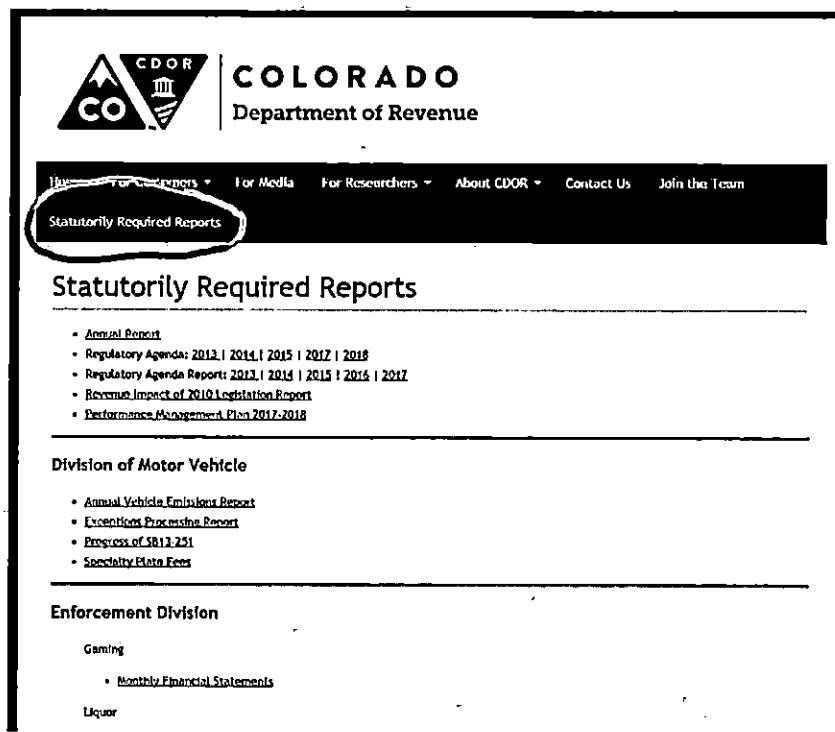
2018 Regulatory Agenda:

- 140 Potential Revisions and/or Repeal
- 21 Potential New Rules

2017 Regulatory Agenda Report:

- 23 New Rules
- 92 Revised Rules
- 9 Repealed Rules
- 14 Reviewed Rules (no change)

**CDOR reviews
100% of rules
every 5 years.**



The screenshot shows the CDOR website header with the logo and 'COLORADO Department of Revenue'. A navigation menu includes 'Home', 'For Consumers', 'For Media', 'For Researchers', 'About CDOR', 'Contact Us', and 'Join the Team'. The 'Statutorily Required Reports' link is circled in red. Below the header, the page title is 'Statutorily Required Reports'. A list of reports is provided, including 'Annual Report', 'Regulatory Agenda: 2013 | 2014 | 2015 | 2017 | 2018', 'Regulatory Agenda Report: 2013 | 2014 | 2015 | 2016 | 2017', 'Revenue Impact of 2010 Legislation Report', and 'Performance Management Plan 2017-2018'. Below this, the 'Division of Motor Vehicle' section lists 'Annual Vehicle Emissions Report', 'Excitations Procession Report', 'Progress of SB13.251', and 'Specialty Plate Fees'. The 'Enforcement Division' section lists 'Gaming' and 'Monthly Financial Statements', and 'Liquor'.

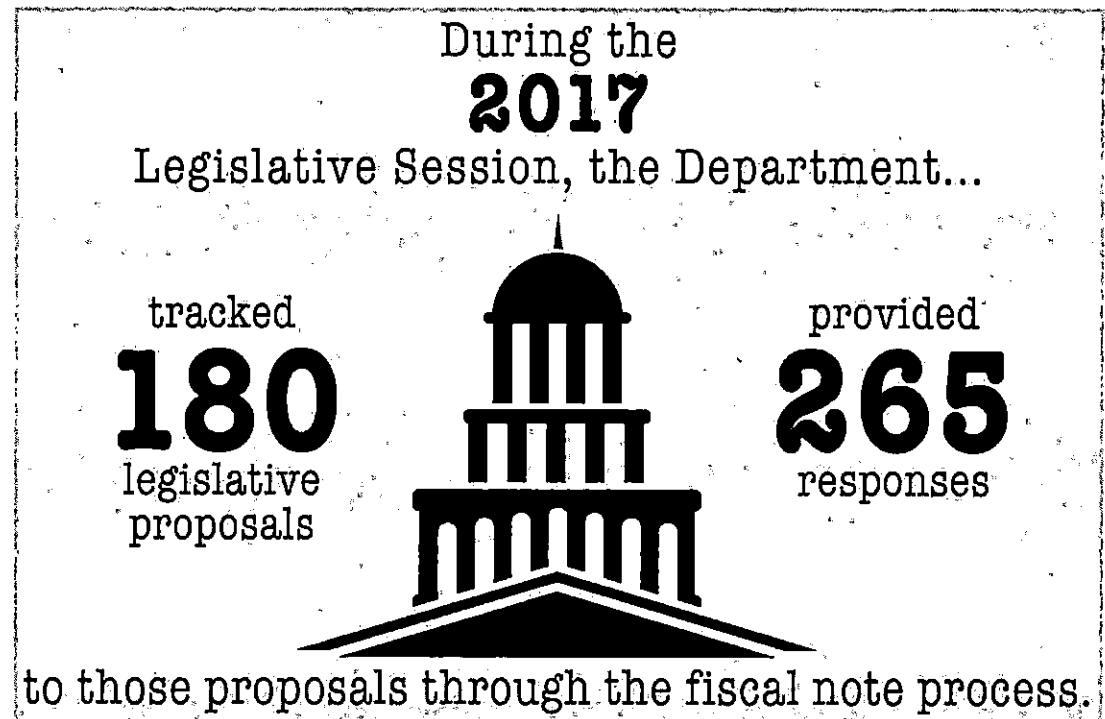
The 2017 Report & 2018 Agenda can be found on the CDOR website:
<https://www.colorado.gov/pacific/revenue/statutorily-required-reports>.

INITIATIVE: Statutory Responsibility

Legislation Implementation

During the 2017 Session, 64 bills had an implementation impact to CDOR. All legislation or portions of legislation with an implementation date of 12/31/17 or prior, have been implemented or partially implemented.

Partially Implemented: One section of *SB17-240, Sunset Motor Vehicle Dealers Sales*, regarding fingerprinting requirements, was delayed due to pending approvals from external parties. Fingerprint based applications are scheduled to begin 2/1/18.



INITIATIVE: Statutory Responsibility

Highlight: SB16-197 Liquor-Licensed Drugstores Multiple Licenses

Mandate of the Senate Bill 16-197 Working Group, §12-46-109(1), C.R.S.:

1. Develop an implementation process for grocery and convenience stores to apply for a license to sell fermented malt beverages and malt liquor containing at least 0.5% alcohol by volume (ABV) starting January 1, 2019.
2. Analyze the impact that removing the alcohol content limit on fermented malt beverages will have on the alcohol beverage industry as a whole, as well as on current retail licensees.
3. Consider other legislative, regulatory, or administrative changes necessary to promote the three-tiered distribution system in Colorado.
4. Examine and make recommendations regarding laws governing tastings conducted on retail premises licensed under §12-47, C.R.S. and the ability of retail liquor stores licensed under §12-47-407, C.R.S. to sell growlers containing malt liquors.

The *Statutory Work Group Report* will be available by 1/1/2018.

For more information, please visit the CDOR website:

<https://www.colorado.gov/pacific/enforcement/sb16-197-statutory-working-group>.

INITIATIVE: Statutory Responsibility

Highlight: Marijuana License Processing

MARIJUANA
ENFORCEMENT DIVISION

34,459

ACTIVE

**OCCUPATIONAL
LICENSES**

Initiatives: Increase the number of final agency actions (defined as approvals or notices of denial) of new or renewing applications within 90 days.

Outcome for New Medical Marijuana Business Licenses:

Outperformed FY17 goal by 14.00%.

FY17 Goal	FY17 Actual
80.00%	94.00%

Outcome for New Retail Marijuana Business Licenses:

Met FY17 goal of 100%.

*This objective is consistently being met and will no longer be tracked following FY17.

FY17 Goal	FY17 Actual
100%	100%

Outcome for Renewal of Retail and Medical Marijuana Business Licenses:

Outperformed FY17 goal by 23.00%.

FY17 Goal	FY17 Actual
70.00%	93.00%

INITIATIVE: Public Confidence

Maximize public trust through responsible stewardship and transparent processes.

- Many of CDOR's regulatory functions exist to ensure that the public is protected, ranging from inspecting gaming machines, licensing liquor and marijuana establishments, ensuring that complaints against auto dealers are investigated, and ensuring the integrity of Lottery games.
- It is vital that the public have confidence that CDOR staff is doing their job to ensure citizens feel protected when they participate in these activities.
- This confidence is relayed through providing sound education for the public, presenting a positive image of the CDOR and the industries that it regulates, setting expectations for regulation and enforcement and living up to those expectations.
- CDOR is dedicated to operating with **full transparency**.



INITIATIVE: Public Confidence

Enforcement Division

2,000

criminal incidents

23%

led to an arrest on gaming premises

**AUTO
INDUSTRY**

1,189
complaint
investigations

COMPLETED

**MARIJUANA
ENFORCEMENT DIVISION**

Total **Enforcement**
Investigations in FY 17

1500

which includes
change of location, trade name
modification of premises,
underage sales check and
regulatory & criminal

39
Racing Days
@ Arapahoe Park

181 STABLE & COMPLIANCE CHECKS
908 TESTS ON EQUINE ATHLETES

14,154 active
liquor
licenses



**MARIJUANA
ENFORCEMENT DIVISION**

Total **Background**
Investigations in FY 17

4614

which includes
business, individual, renewal
and change of Ownership

INITIATIVE: Public Confidence

Highlight: Compliance Investigations of Licensed Casinos

The Division performed



casino visits, reviewing **thousands** of areas of compliance


with a **94%** success rate

Initiative: The Division of Gaming shall conduct compliance inspections of licensed Colorado casinos on an annual basis to ensure 90% compliance with the Colorado Limited Gaming Act, Colorado Gaming Regulations, and minimum internal control standards and increase the rate of compliance.

Outcome: Outperformed FY17 goal by 4.00%.

FY17 Goal	FY17 Actual
90.00%	94.00%

DIVISION of GAMING RESPONDED TO



369

PATRON COMPLAINTS

INITIATIVE: Public Confidence

Highlight: Liquor and Tobacco



Division completed
2,278
inspections of
liquor and tobacco
retailers



Inspections: Investigators go to a liquor license or tobacco retailer and conduct an inspection for three purposes: look for compliance issues, to proactively educate the businesses on liquor and tobacco laws/rules, and to answer questions.



2,339 tobacco underage compliance checks with compliance rate of 94%

Compliance rate for Liquor Enforcement's underage compliance check:



90%

INITIATIVE: Public Confidence

Highlight: Racing Compliance

Initiative: The Division of Racing shall conduct facility inspections for its racetrack licensees 100% of the time prior to opening and all stables within 45 days after opening to ensure compliance with the Colorado Racing Act and Colorado racing regulations on an annual basis.

Outcome: Met CY17 goal.

*This objective is consistently being met and will no longer be tracked following CY17.

CY17 Goal	CY17 Actual
100%	100%



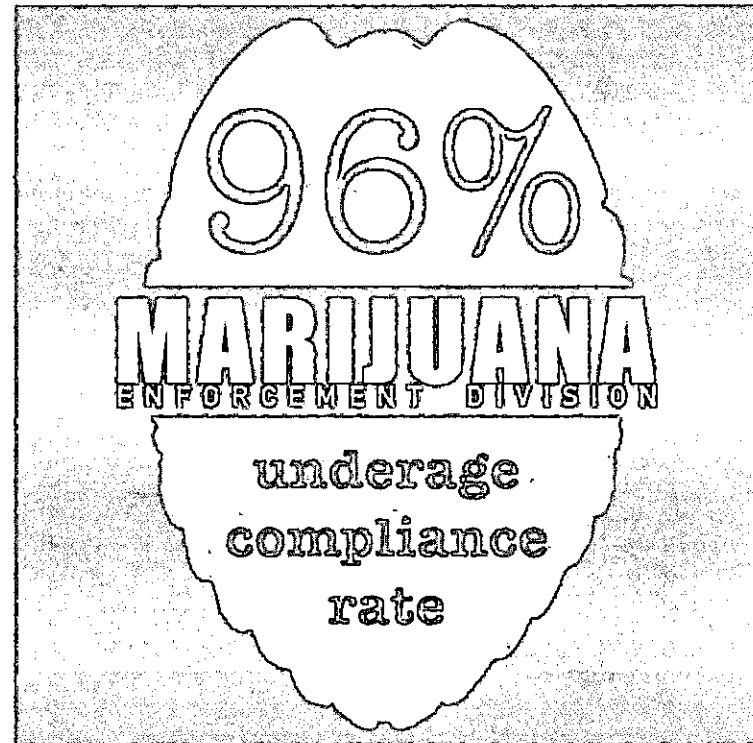
NEW Initiative: Increase the percentage of all blood, urine, and other biological samples taken that are in compliance with rules and regulations regarding authorized use of medications and prohibited use of illicit drugs and performance enhancing substances of equine participants in sanctioned racing events from a 95.00% baseline established in CY2016 to 95.50% in CY2017.

INITIATIVE: Public Confidence

Highlight: Marijuana Underage Compliance

NEW Initiative: Increase the compliance rate of underage sales at retail marijuana licensees through enhanced statewide enforcement, education, training, and engagement of stakeholders from a baseline of 85% established in FY17.

Outcome Thus Far: From 1/1/17 to 6/30/17, the underage sales check investigation showed a 96% compliance rate.



INITIATIVE: Public Confidence

Other Enforcement Highlights

The Enforcement Division strives to uniformly enforce Colorado laws in a fair, consistent, and equitable manner through education, compliance, administration, and criminal enforcement.

The Division is working diligently to launch online licensing and streamline the occupational renewal process. The goal is to expand to all license types in the very near future.

Kudos From Customers

Ladies and Gentlemen, please give my thanks to the Longmont Marijuana Enforcement office for their professional, friendly, and efficient service I received yesterday during my application for a MED Support badge.

— Giuseppe D.

INITIATIVE: Public Confidence

Executive Director's Office

Office of Research
& Analysis
produced
208
monthly,
quarterly
&
annual reports.

Communications Division
provided responses to

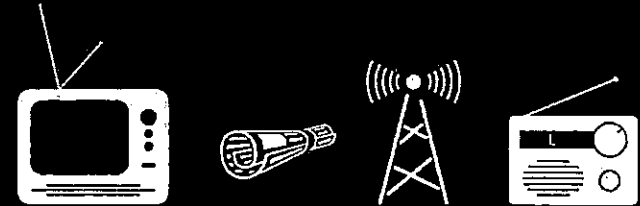
806

Colorado Open Records Act
(CORA) requests.

The Department
responded to

334

requests
for information from media



9,190 citizen concerns

The Citizens' Advocate responded to

INITIATIVE: Employees

Recruit, develop, retain, and value a high-quality, diverse workforce in an environment that promotes collaboration, professional development, and employee innovation.

- The CDOR employees perform very important functions for Colorado citizens.
- To achieve CDOR's goals and serve the public in the manner necessary, it is paramount that the best possible employees are recruited, hired, and retained. To that end, current hiring processes and retention practices are being reviewed to increase efficiencies and reduce turnover rates.
- The leadership staff is also committed to addressing current CDOR employee concerns identified through the Department of Personnel and Administration (DPA) Employee Engagement Survey results in the areas of Lean, Leadership, and Middle-Level Management engagement.

INITIATIVE: Employees

Highlight: Hiring Personnel

Fiscal Year 2017-18 Human Resources (HR) LEAN Events

Complete Mapping and Streamlining of Hiring Process

HR is streamlining the hiring process to reduce timelines and drive efficiencies.

Personnel Action Form

- Simplified form; eliminated carbon copy.
- Reduced signatures required.
- Reduced required paperwork.

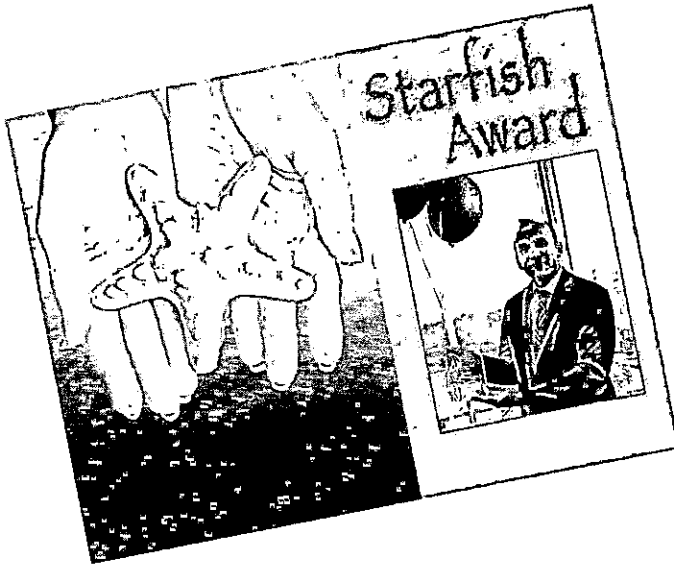
Salary Justification

HR is streamlining the compensation approval process and required forms.

- Eliminate the confusion.
- Reduce the number of approvals.
- Ensure knowledgeable compensation decisions are being made in partnership with HR.

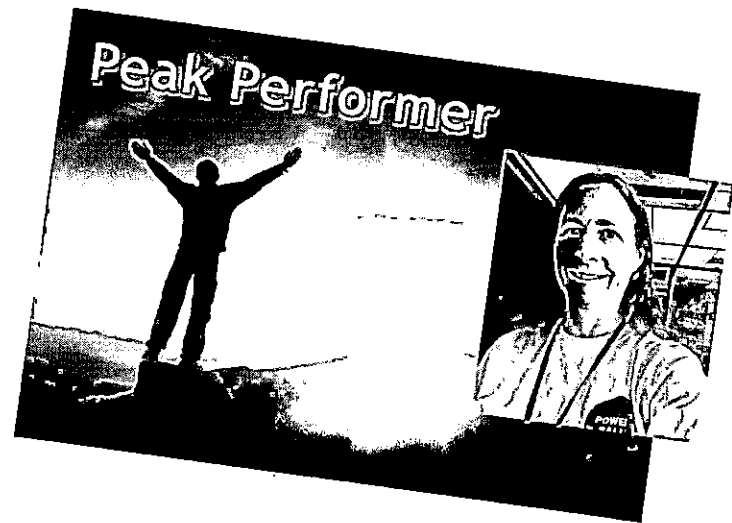
INITIATIVE: Employees

Monthly Recognition Awards



Bharat Parmar's leadership and knowledge make him a great asset for the Field Audit Section. He continually makes a difference for the interns and auditors that he manages and for that he is very much appreciated!

Heather Fisher received a Peak Performer award. Excellent customer service is a valuable asset that Heather brings to her job. Her willingness to take on whatever is asked of her and the service that she provide to the Lottery players on the Western Slope, truly make her a Peak Performer in the Colorado Lottery Division.



INITIATIVE: Employees

Highlight: Employee Satisfaction

The Department of Personnel & Administration (DPA) conducts Employee Engagement Surveys every other year. In the interim, CDOR conducted climate surveys for each division within the Department.

Climate Surveys

- Climate surveys were conducted between March and September 2017 for each division.
- 68% response rate.
- Feedback included:
 - Job growth, opportunity and compensation
 - Management accountability and fairness
 - Low morale/high turnover rate
 - Workload
 - Training
- Meetings are being held with management staff to identify opportunities specific to each division.
- Next step: prioritization and action plans.

INITIATIVE: Employees

Training Initiatives

2017 Trainings Offered

All employee training:

Communication Skills
Fraud/Ethics
Preventing Sexual Harassment
Preventing Workplace Violence
Emotional Intelligence
Team Building
Diversity & Inclusion

Leadership training:

Division Directors Academy - Fall of 2017

Myers Briggs Type Indicator®

Division of Motor Vehicles

New employee training for Driver License Technicians
Third party Commercial Driving School and CDL Testing Unit Tester
training and certification

De-escalation 'Verbal Judo'

Training for all DRIVES users

Enforcement Division

Craigslist / Online Investigations

FBI - Law Enforcement Executive Development Assoc. Leadership
Institute

Reid Interview & Interrogation

2018 Training Enhancements

(in addition to 2017 trainings)

Learning Management System (LMS) Implementation
Updated Supervisory Training Program
New Appointing Authority/Sponsored by Attorney General Office
Tax and DMV Customer Service training
MED problem based training
New employee on boarding
New emergency response training
Active shooter, bomb threats, suspicious package
2nd Round Lean Initiatives
Engage Lean Fellows
Lean Champions and State Department training (CDOT)

INITIATIVE: Employees

Other Highlights

RevEnews:

A monthly newsletter for CDOR employees.

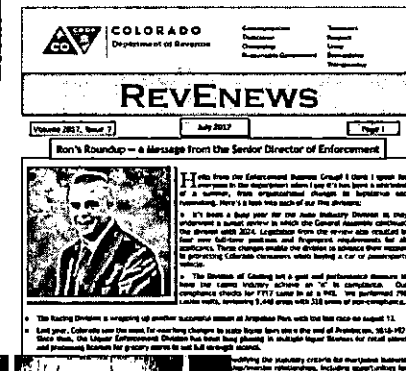
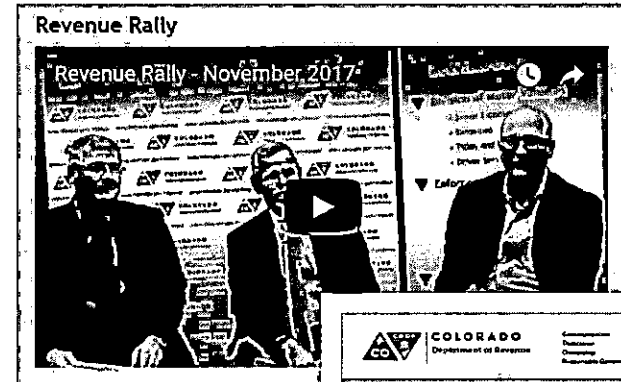
New 2017 Flexible Work Arrangement Policy

Summer Internship Program with
Denver Public Schools

Monthly YouTube Town Halls

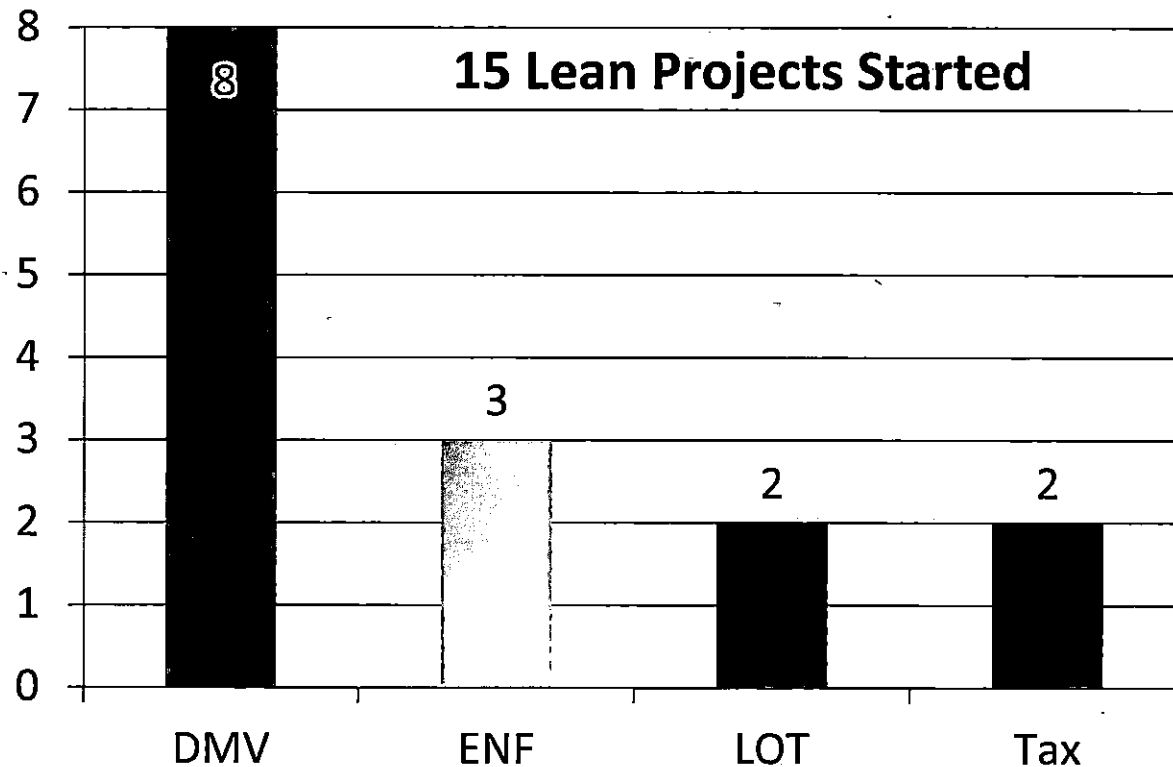
A New and Improved Intranet

In 2017, CDOR employees donated more than \$20,000 to give through the Colorado Combined Campaign to make a difference for Colorado causes, communities, and people in need.



INITIATIVE: Employees

LEAN and Process Improvement Projects



- In 2017, 13 CDOR employees were provided Lean Practitioner Training.
- In 2017, 3 CDOR division directors attended the *Division Directors Academy* for LEAN Training.

INITIATIVE: Employees

LEAN and Process Improvement Key Initiatives

DMV

- Process improvement: Titling and Registration.
- Clear communication to employees on key metrics.
- Improved training for new hires.

Enforcement

- Improve efficiency and tracking of gaming license denial process.
- Streamline travel approval process.

Lottery

- Reduce time spent on mail-in claims from 84 steps to 56 steps.

Taxation

- Field audit paperwork purge: reduction of years of Tax Conferee stores forms from 8 years to 7 years.

Outstanding Audit Recommendations

From July 1, 2011, through June 30, 2016, CDOR agreed or partially agreed to implement 183 audit recommendations:

**100%
Implemented**

**Financial Audit
Recommendations**

**99.3%
Implemented**

**Performance & IT Audit
Recommendations**

FY2018-19 Decision Items (1 of 2)

R-01

DRIVES System Support

- To meet the contractual cost for hosting, maintenance, and support of the DRIVES enterprise solution which is performed by the vendor.
- FY2018-19: 0 FTE, \$2,600,000 Cash Funds, and \$0 General Fund.
- FY2019-20 and Thereafter: 0 FTE, \$6,240,000 Cash Funds, and \$0 General Fund.

R-02

Armored Car Services

- To meet the contractual cost for the volume and frequency of deposits being transported.
- FY2018-19 and Thereafter: 0 FTE, \$62,374 Cash Funds, and \$1,177 General Fund.

R-03

Lottery Retailer and Vendor Fees

- To meet the defined structure for retailer and vendor commissions and fees that directly correlate to high volume consumer ticket sales during mega jackpots.
- FY2018-19 and Thereafter: 0 FTE, \$4,028,785 Cash Funds, and \$0 General Fund.

R-04

Liquor Enforcement Operating

- To have adequate spending authority for investigators to travel to festivals and events across the state with the goal of preventing the sale and consumption of alcohol by minors.
- FY2018-19 and Thereafter: 0 FTE, \$43,734 Cash Funds, and \$0 General Fund.

R-05

Enforcement Business Group Re-Alignment

- To accurately reflect FTE and costs in the Long Bill.
- This **net-zero** realignment will allow for all costs to consistently be allocated through the indirect cost model.
- FY2018-19 and Thereafter: 0 FTE, (\$80,432) Cash Funds, and \$1,908 General Fund. Reappropriated Funds: \$78,524.

FY2018-19 Decision Items (2 of 2)

R-06

Budgetary Reduction GenTax Subscription Service

- Budgetary reduction of a General Fund appropriation for an annual subscription service that is offered by the current vendor who supports the GenTax system.
- Negotiations were not successful and this add-on service was never implemented.
- FY2018-19 and Thereafter: -\$600,000 General Fund.

R-07

Budgetary Reduction Gross Conservation Easement

- Budgetary reduction of a General Fund appropriation for contracted services that was awarded through HB11-1300 to assist in the case work for Gross Conservation Easement.
- The large majority of this work has concluded and the funds are no longer needed.
- FY2018-19 and Thereafter: -\$1,216,425 General Fund.

2018 Legislative Initiatives

**Align Colorado Tax
Collection Procedures
with IRS Procedures**

**Create Equivalencies
for Medical Marijuana
Products with the
Retail Marijuana Code**

**Marijuana Licensing
Requirements for
Court Appointed
Receivers**

**Establishment of a
Liquor Renewal
Application Fee &
Online Renewal**

**Require Fingerprinting
of Individuals Who
Access Federal Tax
Information
(Align with IRS Publication
1075)**

Questions?

Please visit CDOR's website:

<https://www.colorado.gov/revenue>

Contact:

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Jean.Robinson@state.co.us

